3: Mirchuk

Ukraine RDl

433, 311, 471, 438

[For location of mineral deposits and other raw materials and indications of their importance to the economy of Ukraine, see category 116, pp. 146-188. For location and productivity of various industries, see pp. 164-188.]

139 world export of grain; Ukraine played a leading part in the export of wheat, rye and barley (20.21 % and 25 % respectively of the world export).

The bulk of the exports did not go to Russia which drew its supplies from the Volga Basin and the East. Part went to White Ruthenia, Poland and the Baltic, if it was not ear-marked for Central and Western Europe. And Ukrainian cattle were not greatly in demand in the Russian market, which is one reason why cattle-rearing never developed very satisfactorily.

5. The preponderance of foreigners in industry

133 was partly due to Ukrainian concentration in agriculture. It
464 is quite true that, at the outset, Ukraine was not in erested in mining and industry. On the other hand the Russians, by Nature less bound to the poorer soil on which they had settled, immigrated to mining and industrial areas of Ukraine. This produced dangerous national islands. The work done by Ukrainian laborers in the Donets area was better than in the Ural, even if it did not reach the standards of Central and Western Europe.

●471 In Ukraine industry foreigners predominated even more as investors of capital than as laborers, more capital coming from countries abroad than from Russia. Before World War I about 400 million roubles were invested in Dnipro Ukraine alone, where the value of mining and industrial products amounted to 170 million roubles. 95 % of the capital invested in heavy industry was of foreign origin; 80 % of the pig-iron produced in 1913 came from 10 concerns with French capital (out of a total of 16 in the Russia of those days); they represented an investment of more than 112 million roubles. Of the 103 million roubles of French capital invested in coal mines, 82 millions were accounted for by the Donets Basin. Ten of the 12 concerns run with Belgian capital were in Ukraine.

6. Ukraine's relations to Russia as a colony

439 find expression in the economy of Dnipro Ukraine where certain industries were neglected and deprived of funds in favor of Russian areas. And this is no result of a balance between an agrarian and an industrial country for it was not to the North and the East that agricultural produce was exported

3: Mirchuk S-4 (no date) 1949 RDl Ukraine RDJ

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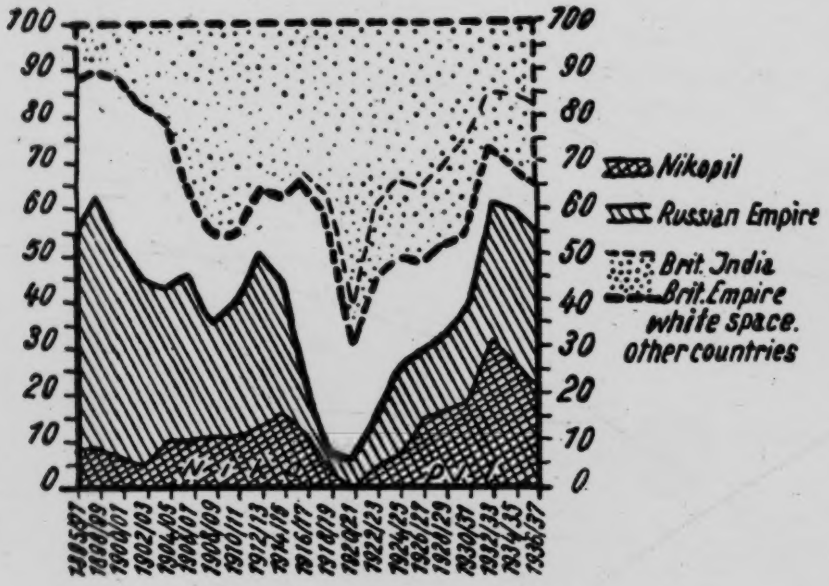


Diagram 8.

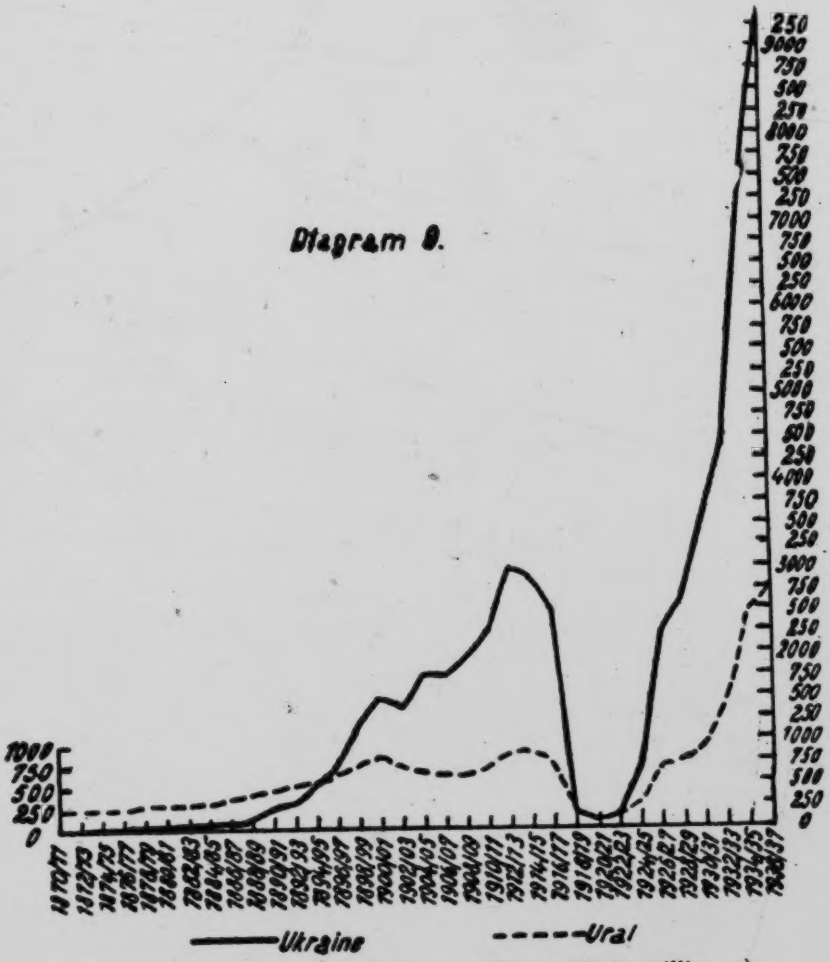
Share of Ukraine in the world production of manganese ore (1896—1937)

327 quity are first-rate in Ukraine. Heavy industry in Ukraine
● 471 was characterised from the beginning by the capitalist features that predominated in European production: protective duties and state orders greatly furthered development without handicapping other industrial centers. Pig-iron in Ukraine gradually rose to 19 % of the amount produced in all Russia. In the period 1887—1899 fifteen blast furnaces were added to the two which had been in operation since 1872. In 1913, ten of these were in the coalfields of the Donets Basin, two in the ore areas at Kryvyj Rih and Kerch and five between them. 48 blast furnaces produced 62 000 t each per year, while the 66 blast furnaces of the Ural only produced 12 800 t each and the 14 in the Central Russian area 12 100 t each and even the 11 modern furnaces in Congress Poland produced only 37 500 t each.

The following features were characteristic for Ukraine in contrast to the industrial area of the Ural:

1) a tendency to large-scale production, 2) an inclination for mass production, 3) a striving for concentration in production,

3: Mirchuk S-4 (no date) 1949 RDl Ukraine RDl



Production of pig iron in Ukraine (1870—1937: in million t).

so that fewer intermediate products were put on the market, 4) a tendency to form cartels or trusts, 5) much foreign capital, 6) a readier response to the influence of crises.

In 1887 pig-iron production in Ukraine amounted to 67 000 t and exceeded the figures for its two weaker rivals and in 1896 (636 000 t) the figure for the Ural. In 1900 it supplied the half and in 1913 $^2/_3$ of the production in the whole of Russia and 4% of that in the world, coming fifth in the pig-iron areas. As a producer of steel, Ukraine came fifth with a total production of

3: Mirchuk S-4 (no date) 1949 RDl Ukraine RDl

Trade

Domestic and Foreign Trade

● 471 It was characteristic of the Ukrainian territory that trade was largely in the hands of aliens. To counteract this an efficient system of co-operative organisations grew up and spread over other provinces than trade. This phenomenon will be treated later as an independent feature.

439 The foreign trade of Ukraine is of great importance for many other European countries. It must not be judged by conditions of recent years when trade between Ukraine and the rest of Europe has been depressed and any considerable trade in merchandise has only existed with the USSR. We must return to the time before the first World War if we wish to get a true picture of the natural possibilities of exchange of merchandise between Ukraine and the countries of Central and Western Europe, though we must also bear in mind the changes that have taken place in Ukrainian economy and in the entire position of world trade.

Balance and Trade before 1914

No exact balance of trade can be calculated for the Ukrainian national territory for the years before the first World War. Statistics were drawn up in Russia for Dnipro-Ukraine, but they only included 9 provinces, viz. Volynia, Kyiv, Podolia, Chernyhiv, Poltava, Kharkiv, Katerynoslav, Kherson, Tauria (the last three names were often combined as the "South Steppe" or "New Russia"). Parts of Ukrainian territory were omitted from these statistics, e. g. the Kholm district, districts in Podlakhia, in the province of Kursk and Voronesh etc., and the Ukrainian part of the Kuban area was quite isolated. So that

4: Allen H-4 (no date) 1941 RD1 Ukraine RD1

had been based. '"Liberal" tendencies began already in 1932 in the sense that *kolkhozniki* (individual members of the *Kolkhozy*) were allowed to keep their own cattle (Decree of 4 February 1932). Subsequently, in 1935, *kolkhozniki* were accorded the right to farm their own private allotments within the boundaries of the *Kolkhozy*.

These modifications in policy soon gave positive results. It is difficult to say whether the *Kolkhozy* have come to be accepted by the peasantry as the permanent basis of rural life. At the same time there can be no doubt that the grant of certain rights of private farming to the *kolkhozniki*, combined with a relatively free market, has tended to a notable improvement in the conditions of peasant life. In consequence food production throughout the whole country has again increased.

There are now four forms of farming in existence side by side in the Soviet countryside:

(*a*) *Sovkhozy* (State farms);
(*b*) Individual farms;
(*c*) *Kolkhozy* (Collective farms);
(*d*) Allotments belonging to the *kolkhozniki* within the area of the *Kolkhozy*.

The relative importance of these different types of farm can be judged from the areas allotted to each in the 'sowing plan' of 1936: *Sovkhozy* covered 16 million hectares; individual farms, 5 million; *Kolkhozy*, 108 million; *kolkhozniki* holdings, 8 million.

Obviously, the *Kolkhozy* constitute the most important source of agricultural production. On an estimated yield of 8·3 quintals per hectare, the *Kolkhoz* pays 1·7 quintals to the state in taxes; 3·3 to the governmental 'machine stations' which provide and maintain plant; the balance goes to the *kolkhozniki*. The *Kolkhozy*, with a sowing area of rather over 100 million hectares and a yield of 7 quintals per hectare, supply the state organizations with about 150 million quintals (approximately 15 million tons) surplus over the consumption of the rural population. This reckoning is, of course, purely theoretical, but, in 1934, when bread rations existed for the town population, the administration did distribute about 10 million tons of bread.

The importance of the *kolkhozniki* (who are allowed to cultivate from ¼ hectare to 1 hectare each) lies in the production of vegetables and fruit and, to a certain extent, of livestock. The Plan for 1937 estimated that individual farmers and *kolkhozniki* possessed 29 million head of cattle as compared with 4½ million owned by the *Kolkhozy* over their vastly greater acreage. The private farmers and

4: Allen H-4 (no date) 1941 RD1 Ukraine RD1

423 *kolkhozniki* were reckoned to be even richer in pigs, of which they
471 counted 15 million against 5 million on the *Kolkhozy* and an even
433 lesser number on the *Sovkhozy*. The tiny bits of land which belong to the *kolkhozniki* personally, as well as their domestic animals, have become a school of individual farming which has grown up in the middle of 'the Socialist experiment' as a compromise with the dictates of economics and human nature. In twenty-eight towns in 1938, 82 per cent rye flour, 74 per cent wheat flour, 86 per cent beef, 93 per cent milk, 97 per cent eggs, 87 per cent potatoes, and 72 per cent cabbages, were brought to market by *kolkhozniki* and individual farmers, and only the balance came from the state and collective farms. True the official statisticians could find comfort in the fact that as against the general balance of state commerce which amounted to 100 milliards of roubles the free market only absorbed 16 milliards: but the free market shows a definite tendency to grow and in four years has doubled its transactions.

656 The successful private initiative of the *kolkhozniki* has already
423 begun to weigh upon the minds of the protagonists of the integral Revolution. In the spring of 1938 a Government Decree proclaimed that 'abuses are observed on those allotments of land which are given over to *kolkhozniki* for the personal cultivation of kitchen-gardens or other domestic needs. These abuses consist in the fact that the allotments are sometimes not situated next to the habitations of the *kolkhozniki*, but lie in the middle of *Kolkhoz* lands and exceed the size allowed by the law. The worst part of it all is that these allotments have become the principal care of *kolkhozniki*, and that they show negligence in the accomplishment of their duties in collective farming. It has also been affirmed that these allotments are sometimes cultivated by people who are not members of *Kolkhozy*. A stop has to be put to this state of things as it leads to the development of bourgeois tendencies. The dangerous influence of *kulaki*, who have succeeded in escaping, is suspected.' As a result of this situation, Stalin, by a Decree of 15 August 1939, ordered a 'verification' of all allotments taken over by *kolkhozniki* for personal cultivation: he took the opportunity to recall the law which provided that such allotments were not to exceed ¼ or ½ a hectare. It was also declared that all allotments in isolated situations in the middle of *Kolkhoz* land were illegal and should be abolished: special attention was directed to *Kolkhozy* lying in the Ukraine and Western Russia. *Kolkhozniki*, whose individual allotments were to be abolished, were themselves to be expelled from their *Kolkhozy* and united in new *Kolkhozy* in regions where 'new land' could be found. For this purpose attention was directed to the lands beyond the Volga, in

CHAPTER THREE

The Period of Militant Communism

Any interpretation of the so-called period of Militant Communism which extended from the Soviet seizure of power to the spring of 1921 must rest upon the individual estimation of the sincerity and idealism of Lenin and his associates. If we assume that they had a real belief in the principles of Marxism as it developed into Communism, the period must seem one of disillusionment on the world, national and regional scale. If, on the other hand, the stress is to be laid upon their seizure and maintenance of power, the period becomes a further step in the total disintegration of society in the former Russian Empire and in the destruction of all those institutions and conceptions handed down from the past or developed by the democratic Ukrainian National Republic.

On the world scale it became almost immediately obvious that the world revolution as projected and preached by Lenin and Trotsky in 1918 was not going to occur in the immediate future. The failure of the Communists to secure control of Germany and the defeat of Bela Kun in Hungary reduced the Communist International from an association of revolutionary representatives of Communist nations and governments to a gathering of exiled and embittered conspirators totally dependent upon the will of the Russian Communists in the Kremlin. This, even had Lenin been sincere, would have inevitably inspired him with the idea of collecting the territory of the Russian Empire for his own advantage.

In the first heat of enthusiasm the Petrograd Soviet had confiscated all property, nationalized land and industry and embarked on a series of far-reaching changes. They thought of the land question in terms of the use of land by the village community and of

[After Soviet seizure of power -- Analyst]

● 471 industry and factories by the workers and they did their best to inflame the workers and peasants against the great landlords and the factory owners and administrators. In this they succeeded admirably and the already low standard of living in the Russian Empire began to drop lower and lower.

Under such conditions it became more and more necessary for the Soviet leaders in Moscow to make renewed efforts to master Ukraine and to inject some apparent vitality into their puppet, the Ukrainian Soviet Republic. In this they were finally successful, but even though the Communists came back into Ukraine, they did not venture to destroy the fiction of Ukrainian independence, although they had no intention of allowing it to develop.

642 648 From the moment of its formation and adoption of a Communist Constitution on March 14, 1919, the Ukrainian Soviet Republic declared itself an independent and sovereign state. It was recognized with all due pomp and formality by Lenin, who again stressed it in his *Letters to the Workmen and Peasants of Ukraine* in his efforts to strengthen the opposition to Denikin. The Ukrainian Soviet Government was represented at the Conference in Riga that ended the Soviet-Polish War in the fall of 1920. The travesty was continued when, in December of the same year, Lenin concluded with the Ukrainian Soviet Socialist Republic a formal treaty of alliance in which Ukraine, for purposes of defense, graciously handed over to Moscow the commissariats of war, navy, foreign trade, railroads, finances, labor, posts and telegraphs and the Supreme Council of National Economy. It still retained the right to have its own diplomatic representatives in Poland, Germany and Austria, countries which had recognized the Ukrainian National Republic, and there were still preserved Ukrainian military schools to train officers for the Ukrainian army in both Kharkiv, the capital of Soviet Ukraine, and Kiev.

Still all this was merely a sham arrangement, for the bulk of the forces that fought against the Ukrainian National Republic were Russian and they operated with no regard for the feelings even of the Ukrainian Communists. They moved at will over Ukrainian territory, collected supplies at will and shipped them

185 474 241 The peasants also revived and breathed new life into the co-operatives which had been broken up during the period of Militant Communism. In 1923 they established another cooperative organization, the Selo-Tekhnyka (Village Machines) which purchased more expensive agricultural machinery and rented it out to the peasants for the appropriate agricultural work. These points became the centre of mechanization and were in effect the first [453] tractor stations. In 1924 they established the First Agricultural Bank, a sort of private institution which at one time had more loans outstanding than had the Ukrainian State Bank which was, of course, closely supervised by Moscow.

185 369 All these efforts met with marked success and agriculture speedily began to revive. The peasants became more prosperous and their holdings of livestock rapidly increased, although they did not reach the pre-war level. This, in its turn, created a new demand for manufactured products and restored the factories to operation, and with them the conditions in the cities began to improve.

185 ● 471 [475] Similar concessions were made to industry, but with one important difference. The larger and more important industrial plants were not turned back to their former owners who were, as before, allowed no voice or influence in their direction. They were taken from the workers who had seized and abused them during the period of Militant Communism and placed under the supervision of government trusts. These were either regional in character or confined to a single branch of industry. In either case, they were under the control of a more or less trusted group of men among whom Communists were in the leading positions, but while they received certain credits from the state, they were more or less autonomous and they were allowed to go through regular commercial transactions and encouraged to show profits in their annual reports. There was thus again a source of encouragement both for the directors and the workers, and slowly but surely the level of industry began to rise.

The smaller plants were very often leased to individuals who were allowed to employ hired labor and the hope was given to these that their taxes would be at such a level that they, too, could

[NEP attempts to restore peasant prosperity -- Analyst]

show profits. The very small shops and plants were in some cases taken back by their former owners when they had survived and any provisions about the use of hired labor were tacitly forgotten in the first flush of the New Economic Policy.

All of these measures were interpreted by the great mass of the Ukrainian people as a recognition of the validity of human experience. There were, of course, keen realists who gave full credence to the declarations of Lenin that the Soviets had never wavered in their objections and were using these concessions only as a means of reviving the life of the country and strengthening their own position. At first this did not seem to be true and it was only as conditions really settled down and a semblance of prosperity returned that it became possible to note the steadily increasing pressure which the government exerted.

In the same way the currency reforms were not without their own influence. In 1923 the government introduced a new currency, the chervonets, which was ostensibly based on a gold standard, to take the place of the old depreciated paper. Nevertheless, the latter was allowed to circulate in the rural districts with the result that its value continued to fall and it became more and more difficult for the peasants to satisfy their needs for manufactured goods which were priced in the new currency. This produced the so-called "scissors," for with the restoration of industry, the value of manufactures continued to rise, while the prices of agricultural products continually fell.

The political system was still not clear.[1] The new regulations were introduced in the Council of Commissars in Moscow and it was emphatically stated that they were for the Russian Soviet Federated Socialist Republic, but Ukraine and also the other Soviet Republics put into practice the same resolutions, often without any decree by the ostensibly independent government.

The key to this enigma lay in the nature of Communist discipline. In theory and on paper the Soviet regime was thoroughly democratic in the broad sense of the word. There was an elaborate scheme of elections to the village and the higher Soviets, and even though this was weighted very heavily to provide increased repre-

[1] [During NEW ECONOMIC POLICY -- Analyst]

CHAPTER NINE

The Five Year Plan

Lenin and the Communists had never made any concealment of the fact that the New Economic Policy was only a passing concession to put an end to the stagnation and demoralization which had resulted from the civil war and the period of Militant Communism. It was not the adoption of a definite plan for the future nor was it a sign of a growing rapprochement with capitalism or a gesture toward the rest of the world, as the partisans of the Soviets abroad tried to make it appear. [185] 656 471 661

With each step of the recovery of the economy of Ukraine and of the Soviet Union as a whole, unobstrusive steps were taken to remove the various concessions which had been made. Year by year, from about 1925, new regulations were introduced by the Commissariat of Finance, one of the All-Union Commissariats which had the definite object of suppressing not only the concessions but of tightening up the restrictions on individual life and preparing the way for socialism and communism. By one device or another, the Nepmen were broken. Now the government forbade the state trusts to sell to them as individual traders either raw materials or finished or semi-finished products. Agreements which had been freely made by the government were either suddenly cancelled or were perverted. Obviously false charges were brought against the various individuals and they were fined exorbitantly or they were arrested and deported. By the fall of 1927 the sector of private trade had been almost completely liquidated and the way was open for the central government to do what it would with the situation.

With the Nepmen disposed of, the way was open for a similar attack upon the wealthier classes of the peasants and those who

had profited by the operation of the Ukrainian land code which, as we have seen, was less rigid than were the similar arrangements in the RSFSR, where the land society was organized far more on the lines of a collective than it was in Ukraine. It was always possible to apply individually any of the laws against the leasing of land or the employment of hired help, for in both cases the provisions had been left vague and indefinite, so that the authorities could act whenever they so desired. As a matter of fact, as one of the first measures the administration of the Ukrainian Soviet Republic reduced the period on which a lease could be made from thirteen to six years and thus it was easily possible to upset many of the calculations that had been made by the richer and more progressive landowners.

At the same time the closing of the official markets rendered it possible for the government to force the peasants to dispose of their grain at the officially pegged prices which in the grain-growing districts were considerably lower than they were in the less fertile areas of the north. If this did not produce the desired results, it was equally possible to demand the grain tax in kind and to compel the peasants to turn over, free of charge and under the guise of payments, additional supplies. All these measures, which were introduced in many cases personally and not by districts, caused the peasants to feel themselves becoming steadily more impoverished and less able to resist the demands of the government.

On the other hand, the All-Union Commissariats which took precedence over those in the individual Soviet republics and which were, in reality, staffed only by Russian Communists, effectively broke the power of the localities or of the republics to have any special voice in the management of their own affairs.[1] This was, in its turn, skilfully explained by stressing the superior requirements of the Union which, on any closer analysis, turned out to be the interests of the Russian area. Thus, at the XVth Congress of the All-Union Communist Party (Bolsheviks), a Russian who was at the time the chief of the Ukrainian State Planning Commission remarked in an unambiguous manner: "It seems to me that we must assign perfectly clear tasks, to emphasize that the national

[1] [1925, during relinquishment of NEP -- Analyst]

436 the more favored because the Soviets equated in value the Polish zloty and the Soviet karbovanets. When we take into consideration the fact that prior to the war a pound of meat in Poland cost four zloty and in the UkSSR twenty-five to thirty karbovantsy, the vast purchasing power of the Soviet officials can be seen. Then in December, to ruin the native population, they arbitrarily stopped the zloty as legal tender, so that the Ukrainian population lost everything, except those fortunate persons who had succeeded in exchanging their Polish money for German marks by clandestine trade across the border.

191 This swarm of officials was of various kinds. Those who were attached to fields like military affairs, the railroads, the posts and telegraphs, etc., i.e. those branches which were directly under the All-Union Commissariats, made no concealment of the fact that Russian was from now on to be the chief language. Other sections which were under the Commissariats in Kiev first adopted Ukrainian as their official tongue, but by the middle of 1940 they, too, had passed over to the use of Russian, exactly as had been done in all the offices in Kiev.

661 By the end of November, when the supplies in the stores were
• 471 already becoming exhausted, the actual work of nationalization commenced. The former owners were often thrown out, if their establishments had been of any size, and as former wealthy individuals they were refused food tickets and other privileges on the ground that they belonged to the non-laboring element and were enemies of the people. This meant that they were compelled to sell upon the black market everything that they had been able to save or which they possessed and which had not been confiscated, and during the winter many of them, like the Polish landlowners and the police who fell into Communist hands, were deported under atrocious and inhuman conditions to Kazakhstan and Central Asia to disappear.

[665] On the other hand, the Soviets introduced at once the idea of dining halls for the workers and special stores for Communists and higher functionaries where they could secure easily and cheaply whatever there was to be obtained in Western Ukraine.

[1939--Analyst]

At the same time the nationalization of the land was commenced and this gave a good excuse for the elimination of another class of formerly prosperous people, whether they were Poles or Ukrainians. At first this was carried out along the lines of the Ukrainian land code of 1922, for the authorities were eager to get crops in when spring came. Still, during the summer of 1940 they began to urge the formation of collective farms. The peasants in some of the more backward regions listened to these ideas willingly, but in the better areas where agriculture was on a far higher and more efficient plane than in large sections of eastern Ukraine, they were very cool and meetings had to be postponed again and again if disorders were to be averted in the middle of the war. Still the Soviet authorities felt that they could waste some time until a real peace was restored and their hands were definitely free.

In regard to the educational establishments and all questions of organization, they acted without delay. In the first days of the occupation, the Soviet commissars seized the property of the Shevchenko Scientific Society and prevented all further work by confiscating the building and its contents and preventing all further publications. On January 14, 1940, they forced the complete self-liquidation of the Society. The president, Prof. Rakovsky, at once fled to the west and during the next uncertain months a large part of the active members made their way to Krakow in the Polish Government General, where they endeavored to resume their work. The Society was then turned into a branch of the Academy of Sciences of the UkSSR and was placed under the control of the administration in Kiev, while part of its collections and its work was placed under the University of Lviv, which was now ostensibly Ukrainianized and given the name of Ivan Franko, the great Western Ukrainian scholar and writer. This was not for long, for very soon here, too, the lecturers to win Soviet approval began to switch over from Ukrainian to Russian.

All other societies of every kind were abolished and fitted into the Soviet scheme of things. The cooperative network, especially such great societies as the Maslosoyuz (Dairy Cooperative Society) and the People's Trade were made governmental organs. Various

9: Prothero G-4 (no date) 1920 RD1 Ukraine RD1

496 From Bakhmach an alternative line runs *via* Bryansk to Moscow.

In a south-south-east direction a third line goes to Yelisavetgrad, Nikolaev, and Kherson.

A fourth line runs eastward to Poltava and Kharkov.

Lastly, a line in a south-west direction goes to Vinnitsa, whence a line runs westward to Proskurov and Kamenets Podolsk (with two short branches to the Galician frontier), and another line runs southward to Odessa.

2. From Kharkov a line runs northward to Byelgorod, Kursk, Orel, and Moscow.

Another goes in a south-east direction to the Donets coal and iron region, Novocherkassk, Rostov-on-Don, and the Azov ports.

A third line goes east and north-east *via* Kupyansk to Voronezh and Tambov.

A fourth goes southward to Pavlograd and Yekaterinoslav.

3. From Yekaterinoslav a line runs in a north-west direction to Alexandria, Byelaya Tserkov, Fastov, and Kiev.

A line to the Donets coal and iron region goes eastward, with branches to the Azov ports, Berdyansk, Mariupol, and Taganrog.

Another line runs south to Alexandrovsk, Melitopol, and the Crimea.

None of the three great railway centres, however, is touched by a long new line which runs from Bakhmach in the Government of Chernigov, *via* Piryatin, Cherkassi, and Vosnesensk, to Odessa, thus giving to a badly-served district an outlet for its share of the cereal export trade.

A network of short lines serves the Donets coal region and the Krivoy-Rog iron region, with connexions to Yekaterinoslav and the ports.

471 496 *Finance; Relations to Government.*—Five separate concerns are interested in the Ukraine railways—the South-Western Railway, the Southern Railway, the Yekaterininsky Railway, the Moscow–Kiev–Voronezh

9: Prothero G-4 (no date) 1920 RD1 Ukraine RD1

Railway, and the South-Eastern Railway. The first three belong to the State, and almost the whole of their mileage is in the Ukraine; the other two are privately owned, and some portion of their mileage is outside the Ukraine boundaries.

It is not possible to procure figures for the working of that proportion which is inside the limits of the Ukraine, and the figures for 1912, given below, are for the entire systems:

	Length of line. Miles.	*Gross receipts. Million roubles.*	*Nett receipts. Million roubles.*	*Weight carried. Million tons.*
South-Western Railway	2,604	73	30·4	15
Southern Railway	2,042	66	30·5	22
Yekaterininsky Railway	1,871	60	26·9	26
Moscow–Kiev–Voronezh Railway	1,652	37	16·2	10
South-Eastern Railway	2,168	55	24·6	11
Total	10,337	291	128·6	84

The Yekaterininsky line was constructed by the State; the Southern and South-Western lines were recently purchased from private owners.

The Moscow–Kiev–Voronezh Railway is a private concern with a share capital of £1,500,000. Debentures to the value of £35,000,000 have been issued at 4–4½ per cent. at different periods. The State has power to take over the line at any time on a basis agreed upon in the original concession. There is a State guarantee on the loan capital.

The South-Eastern Railway has only a portion of its line in the Ukraine, mainly in or near the Donets region. The share capital is about £3,000,000. Debentures and other loan capital amount to about £18,800,000. The State has power to purchase the line at short notice on terms fixed in the original concession. There is no State guarantee on the capital or loans. A number of lines in the Donets region,

formerly belonging to the South-Eastern Railway, have been recently acquired by the State.

The money markets of Paris, London, and Amsterdam appear to be those principally interested in the loans of these railways; the financial circles of Berlin and Vienna are concerned in a lesser degree.

Up to the year 1889 railway rates in Russia were in a state of chaos. The Government then took the matter in hand, and during the years 1893–4 inaugurated a system which, with modifications, has remained in use. The zone method is applied to both goods and passengers, with a diminishing rate for each additional zone entered by the traffic. Cereal rates received special consideration, and differential tariffs exist for the carriage to Black Sea and Azov ports of cereals destined for export. Preferential rates are also granted on coal, iron and manganese intended for export.

Adequacy to Economic Needs: Possibilities of Expansion.—Taken as a whole, the railways of the Ukraine are not adequate to the needs of the country. In the Donets region railway extension by private enterprise has kept fairly level with industrial needs, and new projects were recently being actively promoted. In the agricultural portion of the country, however, the lack of railways is a serious handicap to all kinds of industry. The greater portion of the mileage is single line, and the rolling stock is of poor capacity and not kept in good repair.

A number of lines are under construction in the Donets basin to link up existing ones or to serve new mines recently opened, and a new line is being constructed to connect Yekaterinoslav with Kherson and Nikolaev by a direct route.

A projected line is the Podolian Railway, which would run from Shepetovka to Kamenets Podolsk, a distance of 149 miles. By another project a railway running due north from Jitomir *via* Mosir and Mohilev to Vitebsk would give a direct main line between Petrograd and Odessa, which does not at present exist, a detour *via* Kiev being necessary.

9: Prothero G-4 (no date) 1920 RD1 Ukraine RD1

The construction of light railways in agricultural districts would be of great benefit to the country, but no steps have as yet been taken towards this end.

(*d*) *Posts, Telegraphs, and Telephones*

In organization the Russian postal system much resembles that of other European countries, but in extent it is considerably below the average standard. Rural districts are poorly served, although a special effort to improve their facilities has recently been made. Russia is a member of the Universal Postal Union.

Owing to delay and loss of ordinary correspondence, an immense quantity is sent by registered post, especially commercial correspondence, but also newspapers and periodicals.

Parcel post and the sending of goods 'cash on delivery' are in working, but the regulations as to packing, &c., are minute and very vexatious, though necessary to prevent theft in transit.

The facilities for transmitting money through the post are freely made use of, particularly by peasants working at a distance from their homes. In 1910 there were over 40,000,000 dispatches of this kind, their total value being upwards of £200,000,000.

Telegraphs.—Of the total length of telegraph wire for public use in Russia, more than one-third is owned by the private railway companies, the remainder by the postal department. Charges are low, but the service is moderate. Much use is made of 'urgent' telegrams at triple rates to ensure prompt and correct delivery.

Telephones.—The telephone system is fairly well developed in towns in the Ukraine. Private enterprise first entered the field, a company worked by the Bell Telephone Syndicate obtaining a concession for an installation at Odessa in 1895. Shortly afterwards the State established systems at Kiev, Kharkov, and other towns. Still later the *zemstvos* in certain districts interested themselves, and many systems

9: Prothero G-4 (no date) 1920 RD1 Ukraine RD1

206 471 have been opened and worked under their auspices and control. The most notable development has been in the districts of Bakhmut (Government of Yekaterinoslav), Lebedyenski (Kharkov), and Lokhivitski (Poltava). Mariupol and district has communication with Bakhmut and other places on the Donets coalfield. Otherwise trunk communication is confined to a line connecting Odessa, Nikolaev, and Kherson.

The instruments of private telephone installations are usually of the Bell Co.'s make. The State and the *zemstvos* have generally installed instruments made by Ericsson, Stockholm.

(2) External

(*a*) *Ports*

504 *Accommodation.*—The Ukraine is not lacking in good natural ports on the Black Sea: Odessa, Nikolaev, and Kherson are capable of handling great quantities of traffic. On the Azov Sea, Berdyansk and Mariupol share the trade, but in their case purely artificial harbours have had to be constructed at great expense, as the coast has no natural harbour.

There are no tides, any variations of depth of water being caused by wind of great force or long persistence from one quarter.

Odessa is the most frequented port of the Russian Black Sea coast. There is a good depth of water in the bay, but it is much exposed to the two most dangerous winds which blow on the coast, viz. the south and the south-east. The outer harbour is formed by a mole known as the eastern mole, which has a curve to the eastward, and a detached breakwater 1,400 yds. in length parallel with the shore. The eastern entrance has 24–30 ft. of water, and the western 17 ft., and both have an entrance width of 300 yds. This outer harbour is safe from all winds, and gives commodious anchorage.

The inner harbour is formed by five moles which divide it into four parts. The two western moles

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vast quantities of honey are produced, but its quality suffers from the prevalent ignorance of scientific methods of bee-keeping, and it does not command a good price.

Disease among domestic animals causes great ravages. Cattle-plague epidemics are of annual occurrence and cause heavy losses, the proportion of fatal cases being very high. The other most prevalent troubles appear to be anthrax, frounce in horses, and pneumo-enteritis amongst swine. The last disease has made great inroads of latter years, a large proportion of cases being fatal. The proportion of live-stock per 100 inhabitants shows decrease under almost every head, a slight increase in horses or pigs in some Governments by no means counterbalancing the all-round continuous shrinkage.

(*b*) *Land Tenure*[1] *and Methods of Cultivation*

As regards tenure, land in the Ukraine falls into three main classes: (1) land owned privately, mainly in large estates, but a small proportion in farm-holdings by successful peasants; (2) land termed *nadyel*, owned almost entirely by peasant communes; and (3) land owned by the Orthodox Church or the Crown, or granted as appanages to members of the Imperial family. The following table shows the total acreage, and the proportion belonging to each of these classes:

Government.	*Total area in millions of acres.*	*Percentage of* *Private property.*	*Nadyel.*	*Church and Crown land, &c.*
Volhynia	15,484	48·9	39·8	11·3
Podolia	9,873	44·4	48·0	7·6
Chernigov	11,836	41·7	53·1	5·2
Kiev	12,484	45·2	45·6	9·2
Kherson	16,591	51·5	37·3	11·2
Poltava	11,331	45·1	52·3	2·6
Kharkov	12,141	35·8	59·2	5·0
Yekaterinoslav	15,041	50·4	45·4	4·2
Taurida	7,099	52·6	37·2	10·2
Total	111,880	Average 46·2	46·4	

[1] See also p. 50.

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(b) *Organizations to promote Trade and Commerce*

Organizations to promote trade in the Ukraine are not numerous. The true traders of the country are the native Jews, and to trace their involved dealings is impossible.

The sales of the coal and iron are almost wholly controlled by rings and cartels. The most powerful one, the *Prodamet*, or metal sales combine, controlled recently over 80 per cent. of all the iron and steel produced in South Russia and threatened to absorb the entire output.

The activities of the *zemstvos* in trade call for mention. These organs of local government actively enter into trade in agricultural machinery, improved seed, and pedigree live-stock, and endeavour to improve the facilities for selling the products of domestic industry. Their aim is to lift the internal commerce of the country from the condition of dependence on speculating middlemen, into which it has almost irretrievably fallen, but their achievements so far only touch the fringe of a deep-seated social trouble.

There are chambers of commerce at Odessa, Kiev, Kharkov, Berdyansk, and Mariupol, and there is a branch of the Russo-British Chamber of Commerce at Odessa. Odessa, Nikolaev, and Yelisavetgrad have corn exchanges, and coal and iron exchanges exist at Kharkov.

(c) *Foreign Interests and Methods of Economic Penetration*

The present state of commerce in the Ukraine provides a wide field for economic penetration from abroad. Agriculture in its first stages is not much affected, but in one case, that of the production of sugar from beet, the secondary stages of manufacture have been much exploited by foreign capital and management. The coal and iron mining industries and the iron and steel manufacturing industries owe their foundation in great measure to foreigners, by whom they are still largely

471 managed and financed. Russia has not been able to
433 find capital for new projects, with the result that within the last twenty-five years numerous undertakings have been started with foreign money. Official lists show that the nation most largely interested is France, Belgium and Great Britain coming next. The fortunes of these enterprises have varied, but in general their success has not been great in proportion to the original capital.

453 The last quarter of a century has also seen the
491 foundation of a number of trading banks with Russian titles and boards of directors at least nominally Russian. Their resources, however, are largely provided and completely controlled from Germany. These institutions have admittedly acquired a controlling interest in most of the concerns above mentioned, often at a very moderate outlay, and have supplied additional loan capital at profitable rates of interest. One and the same bank has in many cases obtained control over every stage in the production of a manufactured article, from the winning of the raw material onward, of course drawing its profit from every undertaking concerned. Certain British concerns have held out and kept their shares in their own hands, but financial institutions governed by German capitalists have a preponderating hold on those industries of the Ukraine which are large enough to repay their attention—that is, on the coal, iron, and allied industries of the Donets, and the sugar industries of the Kiev district.

The foreign interests in the Ukraine lie principally in the industrial concerns above mentioned. British interests are not strong, and are chiefly represented by some collieries and ironworks at Alexandrovsk and the general properties of the New Russia Co., Ltd., at Hughesovka and elsewhere (cf. p. 86).

lb: Amer. Russ. Inst. (no date) 1950 RDl Ukraine RDl

CONSTITUTION

(Fundamental Law)

of the

UKRAINIAN

SOVIET SOCIALIST

REPUBLIC

of January 30, 1937

As amended through November 21, 1949

Chapter I. The Social Structure

642 Art. 1. The Ukrainian Soviet Socialist Republic is a socialist state of workers and peasants.

Art. 2. The Soviets of Working People's Deputies which grew and attained strength as a result of the overthrow of the power of the landlords and capitalists, the setting up of the dictatorship of the proletariat, the liberation of the Ukrainian people from national oppression by Tsarism and by the Russian imperialist bourgeoisie and the defeat of the nationalist counter-revolution constitute the political foundation of the Ukrainian SSR.

Art. 3. In the Ukrainian SSR all power belongs to the working people of town and country as represented by the Soviets of Working People's Deputies.

471 Art. 4. The economic foundation of the Ukrainian SSR is the socialist system of economy and the socialist ownership of the means and instruments of production established as the result of the abolition of the capitalist system of economy, the abrogation of private ownership of the means and instruments of production and the elimination of the exploitation of man by man.

Art. 5. Socialist property in the Ukrainian SSR exists either in the form of State property (the possession of the whole people), or in the form of co-operative and collective farm property (the possession of collective farms or co-operative associations).

475 421 Art. 6. The land, its natural deposits, waters, forests, mills, factories, mines, rail, water and air transport, banks, communications, large State-organized agricultural enterprises (State farms, machine and tractor stations and the like), as well as municipal enterprises and the bulk of houses in the cities and industrial localities, are State property, that is belong to the whole people.

474 421 Art. 7. The common enterprises of collective farms and co-operative organizations with their livestock and implements, and the products of the collective farms and co-operative organizations, as well as their common buildings, constitute the common, socialist property of collective farms and co-operative organizations.

In addition to its basic income from the common collective farm [472] enterprise, every household in a collective farm has for its personal use a small plot of household land and, as its personal property, a subsidiary husbandry on the plot, a dwelling house, livestock, poultry and minor agricultural implements — in accordance with the regulations of the agricultural artel.

[Ukrainian Constitution as of Nov. 21, 1949]

423 Art. 8. The land occupied by collective farms is secured to them free of charge
474 and for an unlimited time, that is, in perpetuity.

472 Art. 9. Alongside the socialist system of economy in the Ukrainian SSR the law permits the private economy of individual peasants and artisans based on their own work and precluding the exploitation of the labour of others.

421 Art. 10. The right of citizens to personal ownership of their incomes from work and of their savings, of their dwelling houses and subsidiary household economy, their household furniture and utensils, articles of personal use and convenience, as well as the right of inheritance of personal property of citizens, is protected by law.

185 Art. 11. The economic life of the Ukrainian SSR is determined and directed by
471 the State National Economic Plan with the aim of increasing the public wealth, of steadily improving the material and cultural level of the working people and of consolidating the independence of the socialist country and strengthening its defensive capacity.

41 Art. 12. In the Ukrainian SSR work is a duty and a matter of honour for every able-bodied citizen, in accordance with the principle: "He who does not work, neither shall he eat."

The principle applied in the Ukrainian SSR is that of socialism: "From each according to his ability, to each according to his work."

Chapter II. The State Structure

642 Art. 13. For the purpose of mutual assistance among the Union Republics along economic and political lines, as well as along the line of defence, the Ukrainian SSR voluntarily united with the other equal Soviet Socialist Republics, namely:

The Russian Soviet Federative Socialist Republic,
The Byelorussian Soviet Socialist Republic,
The Uzbek Soviet Socialist Republic,
The Kazakh Soviet Socialist Republic,
The Georgian Soviet Socialist Republic,
The Azerbaijan Soviet Socialist Republic,
The Lithuanian Soviet Socialist Republic,
The Moldavian Soviet Socialist Republic,
The Latvian Soviet Socialist Republic,
The Kirghiz Soviet Socialist Republic,
The Tajik Soviet Socialist Republic,
The Armenian Soviet Socialist Republic,
The Turkmen Soviet Socialist Republic,
The Estonian Soviet Socialist Republic and
The Karelo-Finnish Soviet Socialist Republic

in a federal state, the Union of Soviet Socialist Republics.

Proceeding from the aforesaid, the Ukrainian SSR ensures to the USSR, as represented by its higher organs of state power and organs of state administration, the rights defined in Article 14 of the Constitution of the USSR.

Outside of the spheres set forth in Article 14 of the Constitution of the USSR, the Ukrainian SSR exercises state authority independently, retaining its sovereign rights in full.

292 Mountainous Ruthenia is a country of traditional costumes. The
531 beautiful embroideries which decorate them and their colour-effects testify to the innate artistic sense of the people. Their patterns and hues vary not only from tribe to tribe but also from village to village. Blue, brown and red are their favourite colours, but one may say that practically all the colours are represented. On weekdays their attire is rather simple. But on Sundays and festivals the space in front of the wooden church is a veritable kaleidoscope of well-blended hues. Particularly striking is the garb of the Huculs whose artistic talent also shows in their elaborate wood-carvings and in their love of music.

609 Life is hard in the mountains and forests of Carpathian Ruthenia.
574 Yet the small farmers, wood-cutters, labourers and shepherds who live there are a friendly and hospitable race. The traditional rule that a stranger who comes into a Ruthenian cottage is to be hospitably received has found a remarkable illustration in recent times. The inhabitants of one village in the South have decided that the passengers on the bus which passes through the village once a day have to be treated as guests. And so whenever the bus arrives a peasant woman with a basket full of fruit or cheese or buns is waiting at the stop to share out her eatables among the travellers.

177 In the southern part of the country life and people are different.
471 Here one comes across fields of maize, wheat and tobacco, while on the sunny hills bordering on the fertile plain further south there are rich
563 vineyards. But most of this good soil is not the property of the
464 Ruthenians; they have been pushed into the mountains by the Hun-
241 garians who owe much of the land and employ the native Ruthenians as seasonal labourers. In this part of the country the population is mixed, and the Ruthenians who live here have surrendered much of their racial individuality as well as the traditional costumes. No wonder that those uplanders who moved south for economic reasons long to return to their poor but proud mountains.

369 Carpathian Ruthenia is a rural country. Even its largest towns,
655 such as Mukačevo with a State tobacco factory and other works, Berehovo, the centre of the Ruthenian wine trade, Sevljuš with excellent
438 vineyards, are essentially provincial in character.

The largest town, Užhorod, has assumed the character of a modern
361 city since it became the capital of Carpathian Ruthenia during the twenty years of the Czechoslovak Republic. The government built here
341 imposing public buildings as well as large blocks of up-to-date residential flats for its civil servants. Prominent among these representative buildings is Zemský Úrad housing the headquarters of the administration of Carpathian Ruthenia; its façade is strictly modern and its interior, particularly the Parliament Chamber and the large Reception Hall, is beautifully equipped.

This part of Užhorod is well laid out; right along the river bank